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By email to mail.ttipab@ipaaustralia.gov.au

COMMENTS ON DRAFT PRACTICE NOTE DATED 7 MAY 2019 'OWNERSHIP OF FILES'

INTRODUCTION

These comments have been prepared by The New Zealand Institute of Patent Attorneys, Inc (NZIPA).

NZIPA is an incorporated body representing most trans-Tasman patent attorneys registered and practising in New Zealand.

The current membership of NZIPA comprises 155 Fellows, 3 Honorary, 27 Students, 17 Non-resident, 15 Associates and 2 Retired.

Patent attorneys operate in the global arena across all sectors of industry to assist businesses in their key markets to use intellectual property (IP) systems for strategic advantage. Patent attorneys are qualified to, and regularly do, advise on all intellectual property rights including patents, trade marks, designs, and copyright.

SUMMARY

We would like to include some additional examples, and amend some of the existing examples, of documents that are not client property.

We would like to amend some of the examples of documents that are client property.

We suggest that the section titled 'Responsibilities of registered attorneys' be clarified to refer to clause 29 not applying where client documents or property have been destroyed 'with the authority of the client'.

WHICH PARTS OF A REGISTERED ATTORNEY'S FILES ARE NOT CLIENT PROPERTY

The draft Practice Note sets out examples of documents that are not client property. While we acknowledge that the list is non-exhaustive, we suggest some amendments for clarity.

The examples of documents that are not client property that are set out in the draft Practice Note are:

- drafts and office copies of final accounts of profit and loss, balance sheets etc.;
- draft and office copies of final reports, memoranda and notes requested by the client;
- file copies of client property made at the registered attorney's expense;
- internal cheque requisitions, photocopying requisition forms, etc.;
- trust and other accounts printouts;
- internal records and memos about work done or to be done.

We suggest amending the term 'file copies of client property made at the registered attorney's expense'.

Given the modern practice of not charging specifically for photocopying, and that most copies these days are electronic, it could be difficult to decide at whose expense copies were made. We suggest amending this term to read 'file copies of client property' by deleting 'made at the registered attorney's expense'.

We would like to ensure that the following additional documents are not considered to be client property:

- Documents prepared by the registered attorney for the benefit of the registered attorney
- Internal communications regarding:
 - conflict checks,
 - docketing of correspondence and deadlines,
 - invoicing,
 - debt recovery and collection, and/or
 - marketing
- Communications regarding debt recovery and collection between:
 - the registered attorney and the client,
 - the registered attorney and a party acting for the client, and/or
 - the registered attorney and a third party.

WHICH PARTS ARE CLIENT PROPERTY

The examples of documents that are client property that are set out in the draft Practice Note are:

- documents, samples or other material which are owned by the client;
- documents, samples or other material created by the client either prior to or during the course of the retainer, and given to the registered attorney for the purpose of doing the work subject to the retainer;
- documents prepared by the registered attorney for the benefit of the client;
- documents prepared by a third party and sent to the registered attorney other than at the registered attorney's expense;
- documents brought into existence by a registered attorney who acts only as an agent for a client for this purpose;
- original receipts for payments made on behalf of the client;
- communications between the registered attorney, IP offices and third parties;
- file notes of telephone conversations relating to the work subject to the retainer;
- filing details of a client's intellectual property rights.

We believe the term 'communications between the registered attorney, IP offices and third parties' is too broad. We suggest this definition at least be amended to exclude communications relating to debt recovery and collection.

We believe the term 'file notes of telephone conversations relating to the work subject to the retainer' is too broad. There is a risk that this term may also cover file notes prepared for the benefit of the registered attorney.

We suggest the term be amended to 'file notes of telephone conversations relating to the work subject to the retainer prepared by the registered attorney for the benefit of the client'.

In the alternative, this term could be deleted on the understanding that such file notes are examples of 'documents prepared by the registered attorney for the benefit of the client'.

DRAFTS OF DOCUMENTS

The examples of documents that are client property set out in the draft Practice Note include 'documents prepared by the registered attorney for the benefit of the client'.

What about drafts of documents prepared by the registered attorney for the benefit of the client? These documents are not listed as being client property and are not listed as not being client property. There is conflicting authority about ownership of such documents.

We suggest that the draft Practice Note be amended to clarify the treatment of draft documents.

RESPONSIBILITIES OF REGISTERED ATTORNEYS

The draft Practice Note states an expectation of the Board that 'registered patent attorneys and registered trade marks attorneys (collectively, 'registered attorneys') should maintain a file in such a manner that the client's property is, or can be, readily identified. This will allow the attorney to promptly comply with a request for the return of the client's property if and when it is made'.

Many registered attorneys retain files in accordance with a file retention policy. The file retention policy may specify, for example, that documents, samples or other material may be destroyed after any ongoing work is completed and a file is closed.

Ideally, the registered attorney and the client will agree, before completion of the work, the time period that documents, samples or other material are retained following completion of the work. This could include, for example, a formal agreement between the registered attorney and the client and/or the attorney providing to the client a copy of the attorney's file retention policy, setting out time periods for retention of client property.

We suggest the section titled 'Responsibilities of registered attorneys' should refer to clause 29 not applying where client documents or property have been destroyed 'with the authority of the client'.

We also suggest that the Practice Note remind registered attorneys that such authority could be obtained generally by including it in standard terms to be agreed with clients.

CONCLUDING REMARKS

We would welcome the opportunity to discuss any aspect of our submission.

Yours faithfully



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